

*This document is an English translation of a statement written originally in Japanese. The Japanese original should be considered as the primary version.*



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## **Notice of Establishment of Fundamental Policy on Sustainability, Identification of Materiality, and Support for the TCFD**

Starzen Co., Ltd. (hereinafter “the Company”) established the Starzen Group Fundamental Policy on Sustainability at the Board of Directors meeting held on November 25, 2021 and identified its materiality at the Board meeting held on February 24, 2022.

Going forward, we will promote sustainability management based on this Fundamental Policy on Sustainability and materiality in order to achieve our management vision to “become a global company that delivers everyday happiness through our food value chain” and resolve various social issues.

The Company also announced its support for the Task Force on Climate-related Financial Disclosures (TCFD) for addressing climate change, which has been identified as an issue of materiality.

### **1. Fundamental Policy on Sustainability**

The Company has established its Fundamental Policy on Sustainability, which sets forth its basic approach to sustainability. Going forward, we will promote sustainability management in accordance with this policy.

Since its founding, the Starzen Group has had as its mission to provide people with essential food and thereby aims to continue contributing to society.

We will endeavor to continually improve our corporate value and realize a sustainable society by working to resolve various environmental, social, and economic issues through food while meeting the expectations of our stakeholders.

## 2. Materiality

Our goal is to become a global company that delivers everyday happiness through our food value chain. We have identified five themes and 10 issues of materiality for the Company to work on in the medium to long term in order to achieve this management vision and resolve social issues. Going forward, we will establish a medium-term management plan based on materiality, work to meet our targets through various measures, and review the plan as necessary according to changes in the external business environment.

### Materiality

E: Environment	Theme 1: Environmental sustainability		
	Materiality	Target	Policy
	Climate change	Reduction of greenhouse gas (GHG) emissions by 46% in fiscal 2030 from fiscal 2020 levels	Reduction of water intensity
Reducing food loss		<p>Extension of shelf life and best-before dates</p> <p>Reaffirming that our business exists thanks to the blessings that come from the precious lives of livestock, we will utilize new technologies to extend the shelf life and best-before dates.</p> <p>In addition, we will promote pig farming using eco-friendly feed, work on effective use of food resources, and reduce food loss throughout the supply chain.</p>	
S: Social	Theme 2: Creating an attractive workplace where employees are happy to work		
	Materiality	Target	Policy
	Labor practices	Development/utilization of diverse human resources	<p>One of the tenets of our Management Philosophy is to make Starzen a company that our employees are happy to work for.</p> <p>Putting the health and safety of our employees first, we will prepare a comfortable and attractive working environment where employees can work for a long time with peace of mind. We will also foster a corporate culture in which everyone respects each other's thoughts and opinions and will work to create a workplace where each individual is enthusiastic about their job and can be proactive and autonomous in their work.</p>
		Establishment of a comfortable working environment	
	Occupational health and safety	Maintenance and improvement of employee health	
Employee satisfaction	Improvement of employee engagement		

<b>Theme 3: Pursuing safe, secure and healthy food</b>		
<b>Materiality</b>	<b>Target</b>	<b>Policy</b>
<b>Quality and safety</b>	Establishment of a value chain that connects everything from production to sales via Safe Quality Food (SQF)	Since the Company's founding, we have wanted to always deliver safe, secure, healthy, and tasty food to our customers. Based on this desire, we will continue striving to become a company that brings happiness to our customers through food as an integrated food supplier.
<b>Health and nutrition</b>	Provision of various proteins through expansion of plant-based product sales	
<b>Theme 4: Maintaining and improving a stable and sustainable sourcing and supply chain system</b>		
<b>Materiality</b>	<b>Target</b>	<b>Policy</b>
<b>Strengthening the supply chain</b>	Creation of a robust supply chain	To realize sustainable sourcing and supply, the Company will pursue the procurement of raw materials while considering social issues such as the global environment and animal welfare. In addition, we will work to train and cultivate raw material suppliers who will work with us to tackle the climate change facing the livestock industry and accompanying challenges. We will also work to diversify our suppliers and build long-term, stable relationships with them to prepare for the risk of supply chain interruptions caused by natural disasters and other events.
<b>Promoting animal welfare</b>	Realization of five freedoms that are the basis of animal welfare  Establishment of a comfortable and healthy farming environment	Reaffirming that our business exists thanks to the precious lives of livestock, we will pursue the five animal freedoms prescribed for animal welfare while taking the lead in improving the livestock farming environment together with veterinarians and universities and other research institutes, so that livestock can live their lives in safety and comfort.  As the first step, we will gradually promote free access stall pig farms and work to improve the breeding environment so that sows have a safe and healthy gestation period.

G: Governance	Theme 5: Realizing highly effective corporate governance		
	Materiality	Target	Policy
	Enhancing corporate governance	Lasting improvement of corporate value	To realize sustainable growth and improve corporate value in the medium to long term, we will sincerely engage with all stakeholders, including our shareholders, and build a robust organization befitting of a company that is listed on the Prime Market and that is capable of swift, bold, transparent, and fair decision-making.

### 3. Support for the TCFD

The starting point for our business is livestock production in Japan and overseas. We recognize the importance of environmental conservation for ensuring healthy farming environments for livestock and establishing a stable foundation for supply. Based on this, we have identified climate change as one of our materiality.

Going forward, we will accurately ascertain the impact of climate change on the Company through our efforts to address materiality. We will also enhance our information disclosure based on the TCFD recommendations.